APF Budget Processes

It's 10 o'clock, do you know where your money is?

APF Budget

What's Here…

- Introduction
- Office of Management and Budget (OMB)
- Department of Defense (DoD) Budget
- Planning, Programming, Budgeting, and Execution (PPBE)
- Capability Plan
- Program Objective Memorandum (POM)
- Generic Common Output Level Standards
- Capability Based Budgeting (CBB)
- Common Output Levels (COL)
- F&FR Budget "Flow"
- Navy APF Budget Call & Preparation
- APF Budget Input
- Unfunded Requirements
- Additional Information
- That's all…

Introduction,
Page 1 of 2

- Appropriated Funds (APF) are those funds received by the U.S. Government as tax dollars
- APF are the monies used to operate the Federal Government
- This *training nugget* describes and discusses the APF budget cycle, processes, procedures and language

Introduction,
Page 2 of 2

- Commander, Navy Installations Command (CNIC) is the single major claimant for shore installation management with core responsibility to provide unified program, policy, and funding to manage and oversee shore installation to the fleet
  - This includes responsibility for Fleet and Family Programs among the other shore programs

Office of Management and Budget (OMB)

- The Office of Management and Budget (OMB) assists the President and the administration in the development of an annual budget
- OMB assists the President by gathering data from all Federal agencies and compiling the data into a final plan (budget)

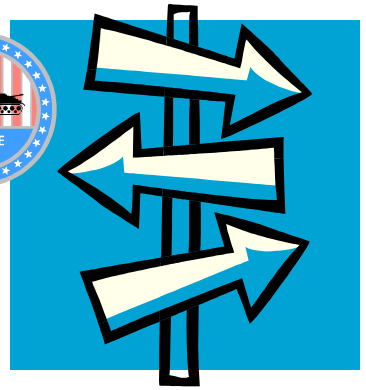
Department of Defense (DoD) Budget

- The Department of Defense budget is organized into separate budget titles that include approximately 75 appropriations

  Titles in the annual appropriations are:

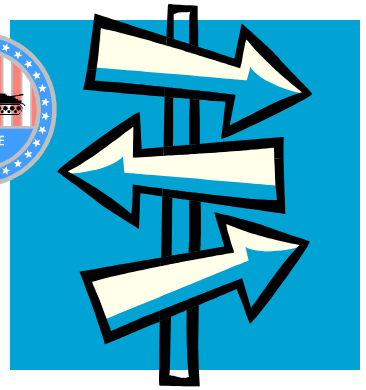
  a) Military Personnel
  b) Operations and Maintenance, (O&M)
  c) Procurement
  d) Research, Development, Test and Evaluation
  e) Military Construction, (MILCON)
  f) Family Housing
  g) Revolving and Management Funds
  h) Other Related Agencies

Planning, Programming, Budgeting, and Execution (PPBE), Page 1 of 4



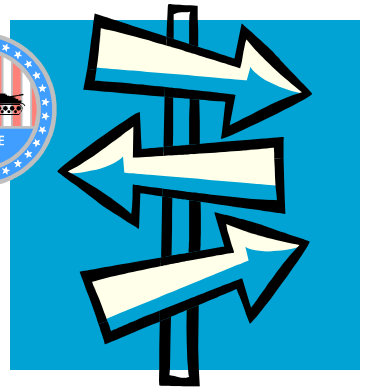
- DoD's APF budget process is known as Planning, Programming, Budgeting, and Execution, (PPBE)
  - PPBE provides a vehicle for DoD to concentrate on program performance and results
  - PPBE is a continuous process – it addresses the *future years'* defense program
    - The PPBE looks at the current year the upcoming execution year, and ahead six years

Planning, Programming, Budgeting, and Execution (PPBE), Page 2 of 4



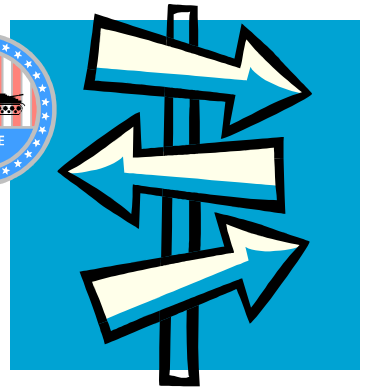
- The planning phase of the PPBE includes the development of a Capability Plan (CP)
  - The CP details *capability output*, (scope, performance criteria, quantities, etc.) for each base support function
  - The purpose of the CP effort is to establish accurate, dependable input into the Program Objective Memorandum (POM)

Planning, Programming, Budgeting, and Execution (PPBE), Page 3 of 4



- The programming phase of the PPBE culminates into the assumptions and direction for the Navy's Program Objectives Memorandum (POM)
- The POM is the primary document used by the services to submit programming proposals to DoD
  - These proposals will later translate into budget dollars

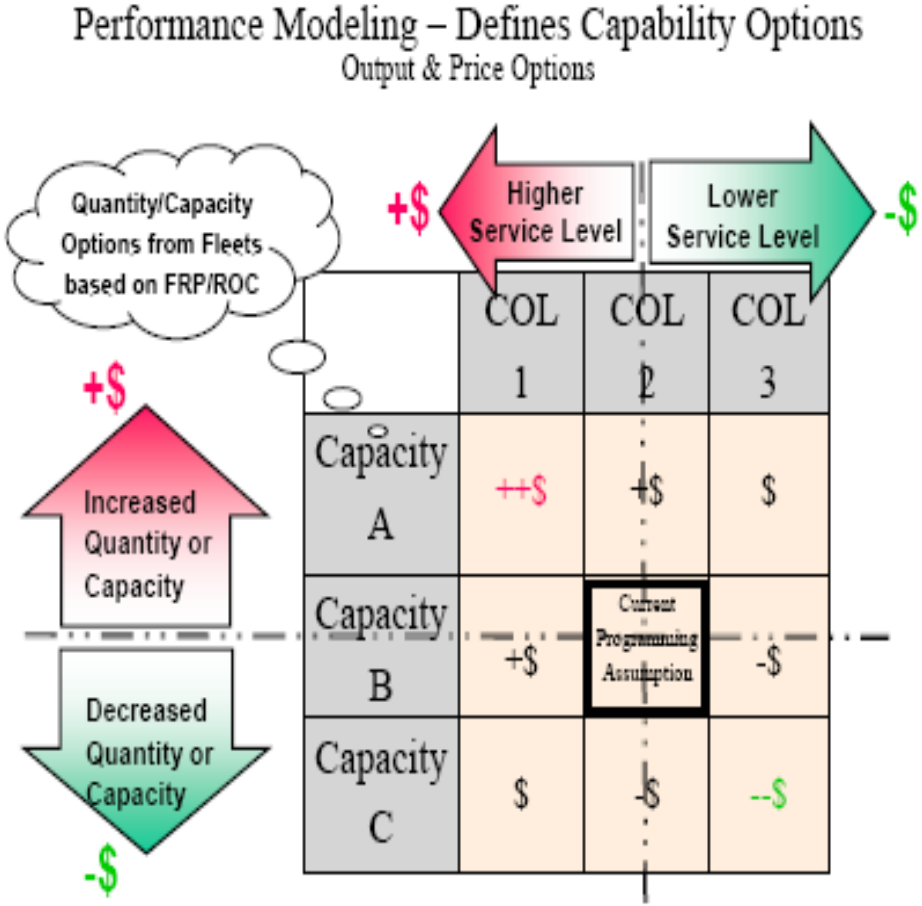
Planning, Programming, Budgeting, and Execution (PPBE), Page 4 of 4



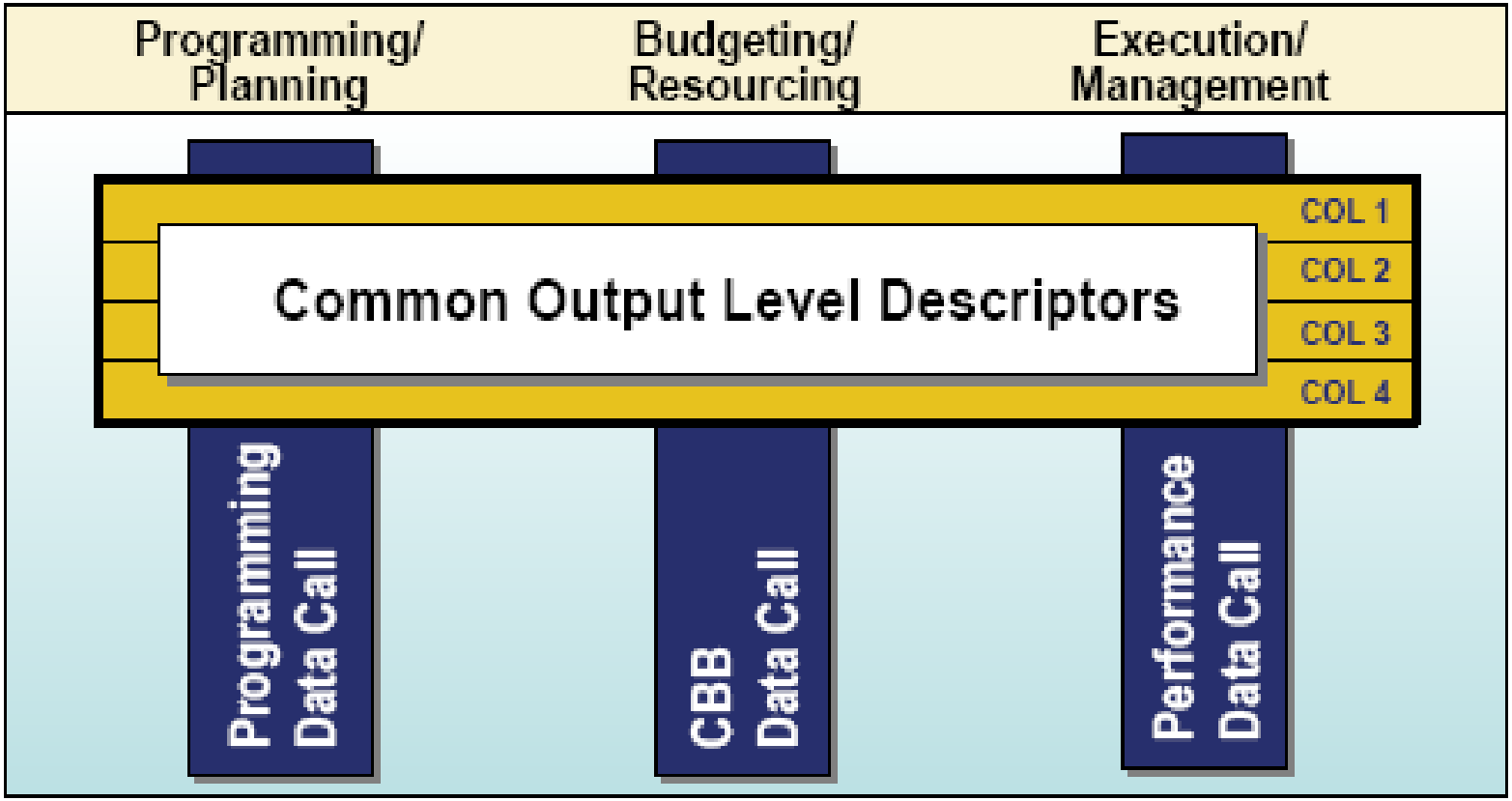
- The POM includes an analysis of missions, objectives and allocation of resources.
- The POM is published every two years, (in the even years)

The Capability Plan
Page 1 of 2

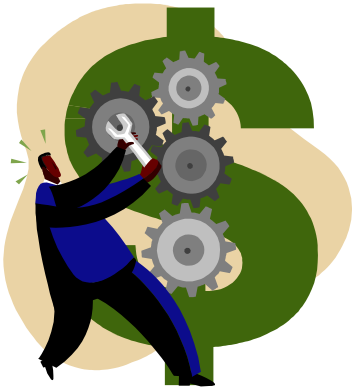
The Capability Plan is a part of a larger effort within the Navy to do capability-based planning and programming; linking measurable output to dollars.



The Capability Plan
Page 2 of 2



Capability-Based Budgeting

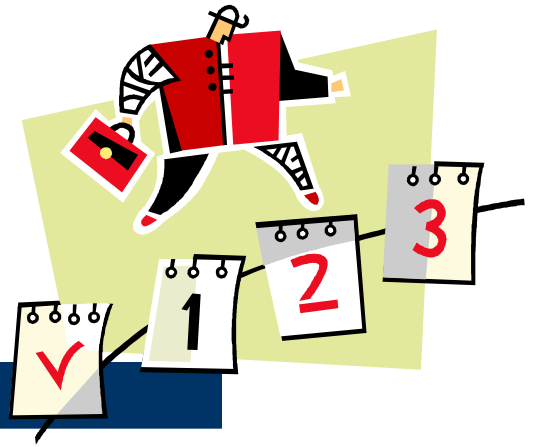


- Capability-Based Budgeting includes developing a plan that meets certain Common Output Levels (COL)
  - Common Output Levels is a four-level system for describing Navy's delivery of Shore Services and Support Services
  - COL standards are a cornerstone of CNIC's and OPNAV's ability to program, budget and execute in a consistent and logical manner

Common Output Level Standards, Page 1 of 2

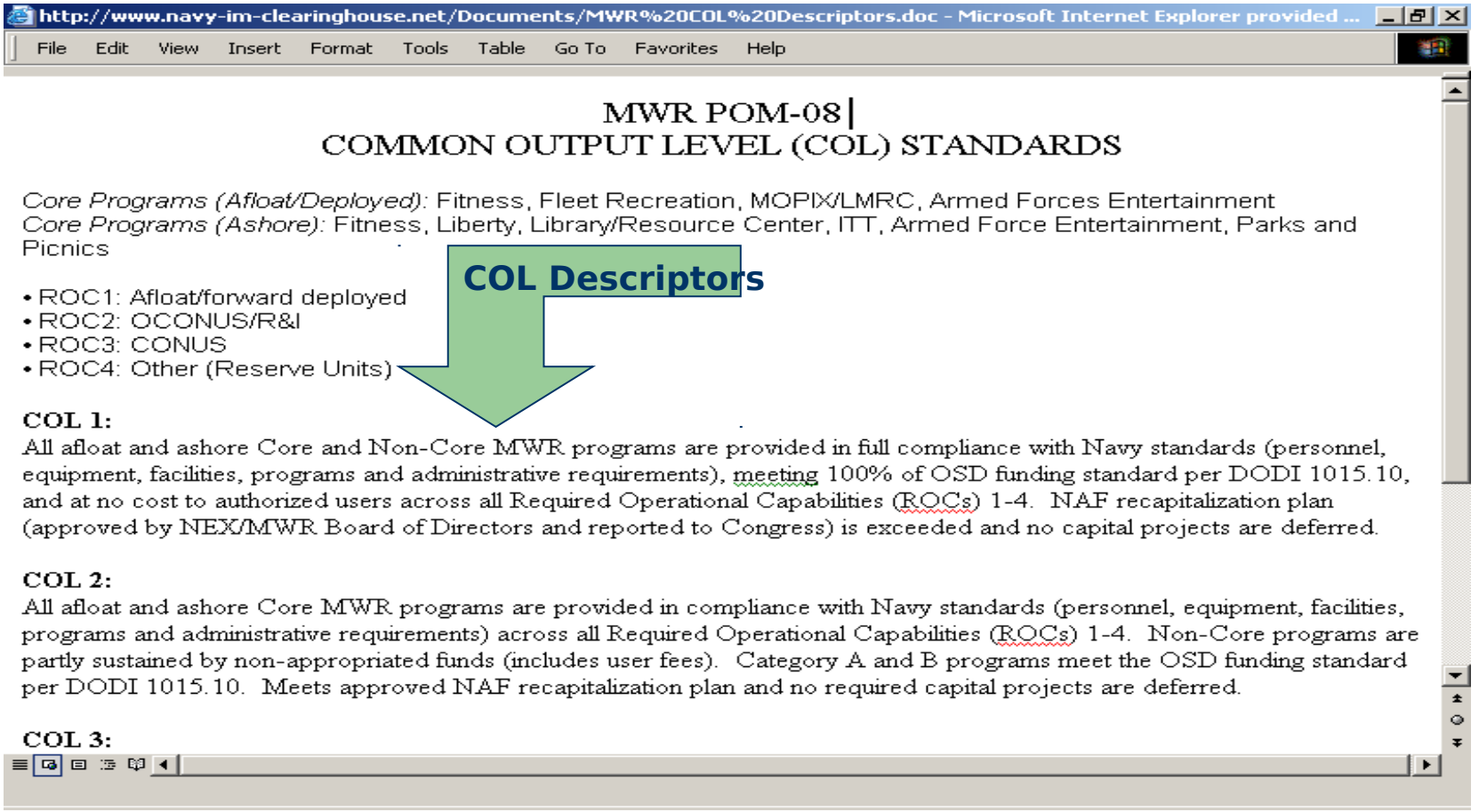
- COL 1 Program: is provided with sufficient resources to deliver full outputs as defined in dialog with the customer (No risk to customer operational requirements)
- COL 2 Program: is provided with sufficient resources to deliver most outputs as defined in dialog with the customer (Low risk to customer operational requirements)

Common Output Level Standards, Page 2 of 2



- COL 3 Program: is provided with sufficient resources to deliver many outputs as defined in dialog with the customer (Medium risk while meeting basic customer operational requirements. Legally compliant.)
- COL 4 Program: requires additional resources to meet basic customer operational requirements (Significant risk to customer operational requirements. Potential legal implications.)

POM
Page 1 of 1


http://www.navy-im-clearinghouse.net/Documents/MWR%20COL%20Descriptors.doc - Microsoft Internet Explorer provided ...
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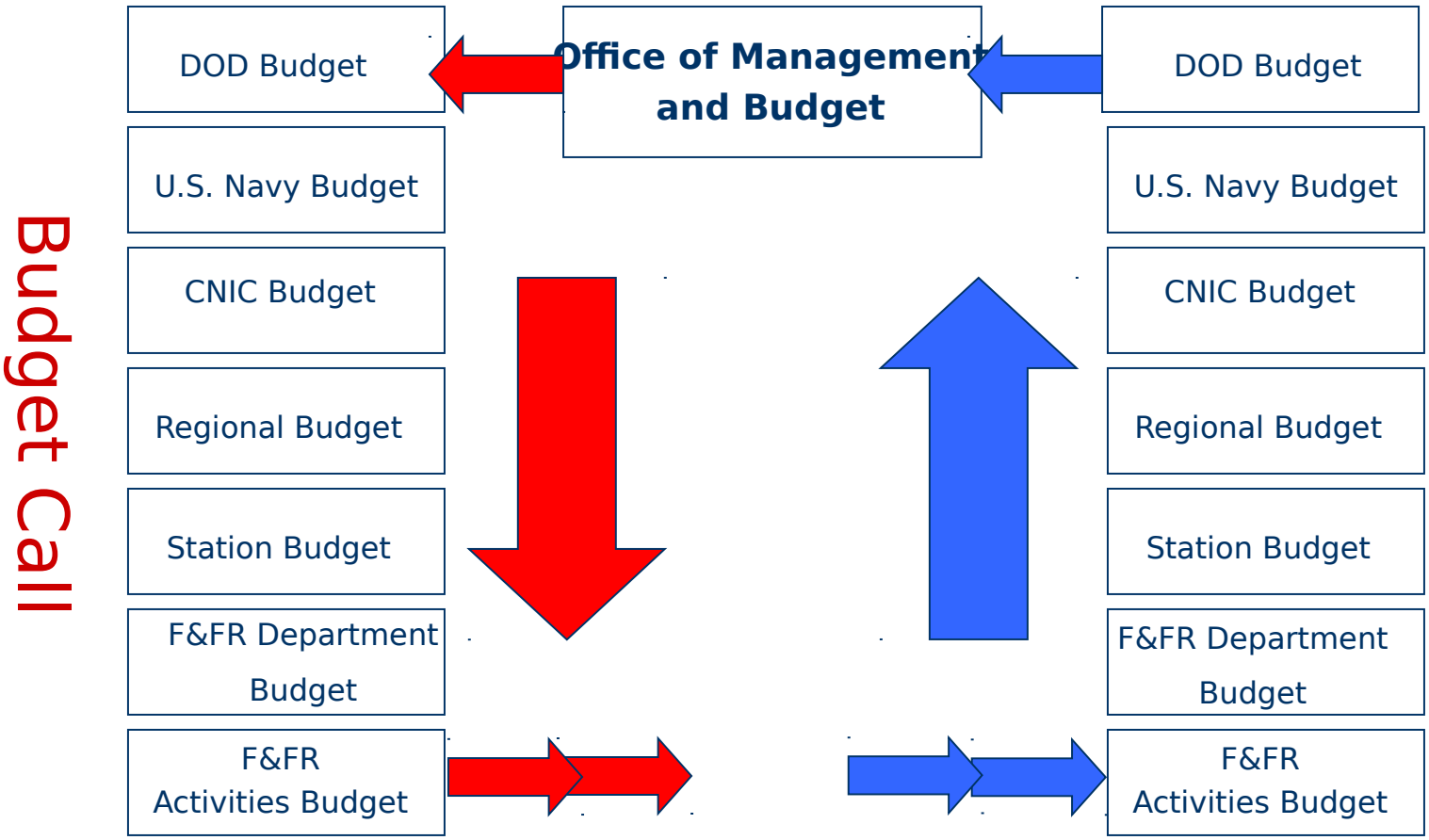
MWR POM-08
COMMON OUTPUT LEVEL (COL) STANDARDS
Core Programs (Afloat/Deployed): Fitness, Fleet Recreation, MOPIX/LMRC, Armed Forces Entertainment
Core Programs (Ashore): Fitness, Liberty, Library/Resource Center, ITT, Armed Force Entertainment, Parks and Picnics
COL Descriptors
• ROC1: Afloat/forward deployed
• ROC2: OCONUS/R&I
• ROC3: CONUS
• ROC4: Other (Reserve Units)
COL 1:
All afloat and ashore Core and Non-Core MWR programs are provided in full compliance with Navy standards (personnel, equipment, facilities, programs and administrative requirements), meeting 100% of OSD funding standard per DODI 1015.10, and at no cost to authorized users across all Required Operational Capabilities (ROCs) 1-4. NAF recapitalization plan (approved by NEX/MWR Board of Directors and reported to Congress) is exceeded and no capital projects are deferred.
COL 2:
All afloat and ashore Core MWR programs are provided in compliance with Navy standards (personnel, equipment, facilities, programs and administrative requirements) across all Required Operational Capabilities (ROCs) 1-4. Non-Core programs are partly sustained by non-appropriated funds (includes user fees). Category A and B programs meet the OSD funding standard per DODI 1015.10. Meets approved NAF recapitalization plan and no required capital projects are deferred.
COL 3:

F&FR Budget Flow
Page 1 of 2

- After receiving the APF budget input call, F&FR Departments prepare and submit their input as follows:
  1. F&FR Activities develop and submit an APF Budget
  2. Rolls up to the Department APF Budget
  3. Rolls up to the Region APF Budget
  4. Rolls up to CNIC Budget
  5. Sent to the Assistant Secretary of the Navy Finance, Management and Budget Office, and becomes part of the U.S. Navy Budget
  6. Rolls up to the Office of the Secretary of Defense and becomes part of the DOD Budget
  7. Rolls up to the Office of Management and Budget and ends up as part of the President's final Federal Budget

F&FR Budget Flow

Page 2 of 2



Navy APF Budget Call & Preparation, Page 1 of 5

- Appropriated Funds (APF) budget input calls are forwarded from the Office of Management and Budget (OMB) down through the various comptrollers
- CNIC will forward a budget call to the stations, via the regions business manager in the March-April time frame
  - This budget call will request data for the current fiscal year, the next fiscal year (which has already been submitted to the President) and the five "out" budget years
- Following lengthy *planning processes* the result is an approved APF budget at the F&FR department level

Navy APF Budget Call & Preparation,

- CNIC is the budget submitting claimant for installation support and the navy POC for installation policy and program execution oversight
- Funding for installation support flows from CNO to CNIC, and then from CNI to the regions
  - This separates installation support funding from mission funding
  - The region and local installation Departments/Activities also respond to other calls for APF information

Navy APF Budget Call & Preparation, Page 3 of 5

- The region and F&FR Departments also respond to other calls for APF information.

  These include:

  - Operating Targets (OPTAR) and Financial Plans.
    - Comptroller may require each Department to submit updated financial plans in Augustseptember for the upcoming fiscal year.

More on next slide

Navy APF Budget Call & Preparation, Page 4 of 5

- Mid-Year Review Base funding is normally adjusted at mid-year (March)
  - Various Departments may have to prepare justification for un-funded requirements, and defend current funding levels -- particularly if their execution is below plan
- Quarterly Reviews The comptroller may provide additional appropriated funds during the quarterly reviews in December and June. (March is a "mid-year" process, and September is the end-of-year process.)

More on next slide

Navy APF Budget Call & Preparation, Page 5 of 5

- End-of-Year Funds The comptroller may provide additional appropriated funds that were uncommitted earlier in the fiscal year

APF Budget Input,
Page 1 of 12

- Step 1 – Upon receipt of your APF budget call, review the budget guidance information to determine the following:
  - Projected increases or decreases in funding levels
  - Policy changes
  - Budget peculiarities for this submission
  - Milestone dates for submission of input and other important due dates
  - Justification requirements and format for submission of budget input

More on next slide

APF Budget Input,
Page 2 of 12

Step 1, cont.

- Region and F&FR support staff members who can assist in budget preparation
- Public Works estimates for utilities, maintenance, repairs, etc.
- Your unfunded APF requirements
- Your equipment needs, when not included in your unfunded requirements
- Requirement to submit some or all of the budget narrative to your immediate supervisor
- Forms and formats for data
- Use of "UFM" in your Program

APF Budget Input,
Page 3 of 12

- Step 2 – Gather the following documents and information for use in budget preparation:
  - Any F&FR region or department instruction or SOP about budgets or budget planning
  - APF Budget forms and program-level working papers
  - Your Program's APF financial reports for the current and prior fiscal years (OPTAR Reports)
  - Your current year budget working papers and documentation for any revisions you have made
  - NAF budget information
  - APF labor reports
  - Equipment requirements

More on next slide

APF Budget Input,
Page 4 of 12

Step 2, cont.

- Training requirements for you and your staff
- Needs list (e.g., yours, customer's/patron's, Command's, etc.)
- Your Program's "unfunded" APF requirements for the current year
- Current categories of MWR Programs (A, B, C) and MWR Program APF Support Table of Authorization (See notes below.)
- Wage increases planned for your staff including local area wage survey increases, pay information, and local (foreign) national changes
- Current UFM implementation procedures establishing the use of APF for NAF Programs via the Program’s non-appropriated funds (NAF)

APF Budget Input,
Page 5 of 12

- Step 3 – Review the following financial information as resources to identify trends, and to analyze current APF budget execution:
  - Current year APF/NAF budget and the budget working papers
  - Current fiscal year program's financial reports
  - Most recent Budget Reviews, (i.e., budget compared to actual—the “Budget Variance Report”)
  - Your Program's historical patterns of operations including seasonal fluctuations, customer/patron usage, etc., that impacts your operation (See notes below.)

APF Budget Input,
Page 6 of 12

- Step 4 – Identify all Program expense elements/areas that you are authorized to fund with APF

  For example:
  - Salaries
  - Communications
  - Utilities
  - Maintenance and repair
  - Minor construction
  - Supplies
  - Equipment
  - Travel
  - Custodial services and materials
  - Contracts
  - Printing

See notes below.

APF Budget Input,
Page 7 of 12

- Step 5 – Develop the monthly budget input for your Programs' Labor costs that are authorized to be paid by APF
  - Jot down what you've actually executed on APF *Labor* to-date (including use of UFM and what you anticipate executing during the remainder of the fiscal year
  - Review each item in the following checklist, to identify and calculate what might change during the next fiscal year, if anything
  - Make applicable monthly dollar figure adjustments to the current monthly amounts, which become your APF labor input

See notes below.

APF Budget Input,
Page 8 of 12

- Step 6 – Develop your monthly budget input for your Programs' **Direct Expense Elements** (*other than Labor costs, which you did in Step 5)*.
  - Jot down what you've actually executed on APF ***Direct Expense Elements*** to-date (including use of UFM procedures) and what you anticipate executing during the remainder of the fiscal year
  - Review each item in the following checklist, to identify and calculate what might change during the next fiscal year, if anything
  - Make applicable monthly dollar figure adjustments to the current monthly amounts, which become your APF Direct Expense input

See notes below.

APF Budget Input,
Page 9 of 12

- Step 7 – Total your APF budget projections and compare your projections/estimates with the your immediate supervisor's requirements/expectations, stated in the budget call, to determine if these projections meet the requirements

APF Budget Input,
Page 10 of 12

- Step 8 – After making appropriate adjustments, compare your adjusted projections and estimates with your immediate supervisor's requirements and expectations to determine if these adjusted projections meet the requirements

APF Budget Input,
Page 11 of 12

- Step 9 – Prepare your portion of the budget narrative if required by local policy
  - Follow guidance from your local budget call, local procedures, your immediate supervisor, the site director / business manager, or the region
  - You may be required to provide some or all of the following information:
    - A brief description of your local Program and facility
    - An explanation of any major program changes
    - An explanation of any unique circumstances the Program must operate under which impacts your financial plan
    - An explanation of any particular problems along with initiatives you have taken to reduce expenses and/or improve programs and their cost effectiveness
    - Current customer survey data

APF Budget Input,
Page 12 of 12

- Step 10 – Ensure you get a copy of the final budget submission which may or may not have been changed at other management levels
  - Note the budget figures for your areas of responsibility
  - Enter the approved APF budget figures in your local APF budget record

APF Budget Input On-line Program

CNIC Clearinghouse

http://www.navy-im-clearinghouse.net

POM08 Data Collection - Microsoft Internet Explorer provide

File Edit View Favorites Tools Help

'08 PROGRAMMING DATA CALL / CAPABILITY BASED BUDGET FOUNDATIONAL BUILD COMMANDER NAVY INSTALLATIONS COMMAND '13

Region/Activity	: Naval District Washington
Installation	: NSA South Potomac
Funding/Appropriations	: OMN
Program	: Personnel Support
Function	: MWR
Subfunction	: Cat A Activities

COLs Descriptions | FY04 Obligation Data | FY04 Performance Data | Prior Year Mitigations | Instructions | Template | Questions | Summaries

Use the grey links located down the left hand side to make changes to each section of the form.
Click here to view this data as it appeared on October 14th.

Note: 5 decimal places displays the Cost Per Unit out to the cent

Macro Metric # of Active Duty	Across Fiscal Year Defense Plan (FYDP)																				
	FY07			FY08			FY09			FY10			FY11			FY12			FY13		
COL	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3
Number of Units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost Per Unit																					
Cost Per Unit (including MPN)																					

Red text in outyears indicates numbers that were not auto-inflated.

Cost	FY07													
	FY04 Costs $(K)		$(K) Direct											
COL	Obligation	Performance	Labor	Material	Contract	NWCF Services	Reimb	IT	Travel	UFM Reimb	PCS	Other	Total	$(K)

Personnel	FY07														
	FTE						End Strength								
COL	Civ US	Contractors	Civ FN	FN	Reimb	Total	Civ US	Military Officer	Military Officer	Military Enlisted	Military Enlisted	Contractors	Civ FNI	FNI	Reimb	Total

Internet

Unfunded Requirements,
Page 1 of 2

- Prepare a list of **"unfunded"** requirements.

  Imagine you were given a pot of APF money..., think about what you would buy for your Program
  - Start by updating last year's "unfunded" requirements list
    - APF entitled?
    - Still current?
    - Necessary for mission accomplishment?
    - Complete?
  - Delete items no longer required
  - Verify that specifications meet current requirement

More on next slide

Unfunded Requirements,
Page 2 of 2

- Add any new requirements to your list
- Identify the items and the costs
- Include specifications on all equipment items (Catalog pictures and/or copies of pages/pictures/specifications help.)
- Prioritize your requirements
  - Be consistent with prior year's unfunded requirement submissions
  - Justify differences between past lists and this one
- Write an impact statement for each line item
  - Justify why it is needed
  - Document the impact on the Program i
  - Be as quantitative as possible

See notes below.

Additional Information,

- See the CNIC Clearinghouse website for the following Desk Guides:

  http://www.navy-im-clearinghouse.net/index.cfm

  - Common Output Level Standards
  - Metrics Development
  - Mitigations (Strategies)
  - Performance Data Call
  - Total Force Strategy
  - Verification, Validation & Accreditation Process
  - Activity Based Cost Management
  - Benchmarking Best Business Practices

Additional Information,

- MWR Managers' Desk Reference
  - Task 5.2, Prepare APF Budget Inputs
  - Task 5.3, Monitor NAF & APF Budget Execution
- OSD Comptroller Information Center
  - http://www.dod.mil/comptroller/icenter/budget/budgetintro.htm

That’s all for now…

Do you know where your money is?

Suggestions and requests to:

Commander, Navy Installations Command (CNIC)
F&FR Training Branch, N947
Millington, TN 38055-6540

Com: (901) 874-6727 DSN: 882-6727
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